21. Shipping Corporation of India Ltd. (SCI)

22. Sponge Iron India Ltd. (SIIL)

23. State Trading Corporation of India Ltd. (STC)

24. Tungabhadra Steel Products Ltd. (TSPL)

25. Tyre Corporation of India Ltd.

26. Bharat Heavy Plates and Vessels Ltd. (BHPV)

27. NEPA Ltd.

28. Instrumentation Control Valves Ltd. (ICVL)

29. India Tourism Development Corporation (ITDC) (remaining hotels)

30. Hotel Corporation of India Ltd. (remaining hotels)

31. Fertiliser and Chemicals Travancore ltd. (FACT)

*The process has not been started again after there was no response for the earlier sale.

(d) the time by which the process of disinvestment will be completed cannot be precisely indicated at this stage. Every effort is made to ensure that the process is completed at the earliest, through a transparent, participative and fair mechanism, keeping the interest of the Government, employees and othe state-holders in mind.

(e) Disinvestment in public sector undertakings is being done in accordance with the declared policy of the Government which envisages reduction of Government held equity in all non-strategic public sector undertakings to 26% or lower, in the generality of cases. This policy is applicable to profit-making as well as loss-making PSUs.

Disinvestment of AI and IA

†1194. PROF. R.B.S. VARMA: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Government have formulated any final outline for disinvestment of Air India and Indian Airlines;

(b) if so, the details thereof;

†Original notice of the question was received in Hindi.

(c) whether Government are aware of the reasons for losses by Indian Airlines and air India;

(d) if so, the reasons for delay in disinvestment of these airlines by Government;

(e) whether Government are aware that losses of these two airlines can be checked after their disinvestment; and

(f) if so, the details thereof?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) Yes, Sir.

(b) the disinvestment plan in respect of Air India and Indian Airlines are as under:—

Air India

(i) Govt. equity to be brought down to 40% through disinvestment process.

(ii) 40% of the equity to be disinvested in favour of a strategic partner (SP)

(iii) Up to 10% of the equity to be offered to employees.

(iv) the balance (10%) of equity to be sold to financial institutions and/or on the share market.

(v) Foreign holding to be limited to a maximum of 26% of total equity if the SP is a Joint Venture with foreign holding.

Indian Airlines

(i) Government equity to be brought down to 49%.

(ii) 26% equity to be sold to a Strategic Parter (SP).

(iii) 25% equity be to sold to financial institutions, employees and other investors.

(iv) Foregin holding not be exceed 40 equity of the bidders, except for NRIs/NRIs controlled OCBs, if the SP is a Joint Venture with foreign holding.

(c) Yes, Sir.

(d) The process of disinvestment in both Air India and Indian Airlines has been delayed because of lack of bidders.

(e) and (f) the disinvestment plan for both Air India and Indian Airlines is in recognition of the need for operating the two airlines on commercial principles wth competitive spirit so that they can thrive in an intensely competitive environment.

Conditions of Bidders of SCI Ltd.

1195. MISS MABEL REBELLO: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether it is a fact that Shipping Corporation of India Ltd. will be handed over to private managment by this September;

(b) if so, the conditions set by his Ministry for both domestic and foreign bidders; and

(c) the details of the annual tornover, profit/loss of the company for the last three years?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) The Government had decided for sale of 51% shareholding of Shipping Corporation of India Ltd. (SCI) through strategic sale. The process of disinvestment is likely to be completed by September-October, 2002.

(b) The Government has prescribed the following conditions for the disinvestment of 51% equity in SCI:—

(1) the interested party (ies)/consortium should have a combined net worth in excess of Rs. 800 crore as per the latest annual accounts and a satisfactory business and management track record.

(2) In case of the consortium bid, the lead bidder must have at least a net worth in excess of Rs. 408 crore.

(3) In the event of the strategic Partner being a joint venture/ consrtium, the foreign holding, if any, shall not exceed 25%.

(4) In choosing between prospective Strategic Partner(s), government will pay due attention, *inter alia*, to the security requirement of the country.